

~~CONFIDENTIAL~~

25X1

8 February 1956

25X1

Subject: Contract RD-71, [redacted] 1-2026

25X1

Enclosure: (1) [redacted] Quotation H-2026-1 (1 copy)  
(2) Price Analysis (1 copy)

25X1

Gentlemen:

Pursuant to Article 3, paragraph (b)II of subject contract, we are submitting a complete analysis of present contract costs and additional funds amounting to \$24,543 required for satisfactory completion. Accordingly we are furnishing our quotation, enclosure (1), and a detailed price analysis, enclosure (2), of these costs for your evaluation.

The primary reasons for this request is due to our original underestimation of the engineering and drafting effort to meet the extremely rigid limitations on space requirements and temperature stabilization of the local oscillator frequency.

In addition material costs exceeded those anticipated for the tuner unit. It was impossible for us to obtain the required accuracy and parts reproduction for normal model shop techniques. Therefore, a small amount of temporary tooling was designed, fabricated and utilized to solve this problem with the attendant increase in cost.

It is estimated that the funds available under the present contract will be expended by March 31, 1956. Within these funds it would be possible to complete:

- (1) Ten (10) Receivers, RR-11A (3 to 12 mc.)
- (2) Electrical design only of the Tuners (12 to 30 mc.)

If this is desired this Corporation would require a confirmatory amendment to this effect by February 29, 1956.

Please note that the overhead rates included herein differ from those indicated within Amendment No. 2. These revised rates have been approved by the Department of Defense for all cost-plus-fixed-fee type contracts placed with this Corporation for the period January 1, 1955 to March 31, 1956.

If you desire further information for your evaluation and approval, please do not hesitate to request this of us.

Very truly yours,

[redacted] Division

25X1

~~CONFIDENTIAL~~

APF:kry

Government Sales Manager, Hq.

TO:

25X1

H-2026-1

~~SECRET~~

Date 8 February 1956

We offer the following quotation for acceptance  
within 30 days from this date.

Allowable costs per contract	\$ 139,815.
Estimated Total Costs for completion	\$ 164,358.
Additional costs for completion	\$ 24,543.

CONDITIONS:

- (1) To permit compliance with delivery schedule will require approval of overtime in the amount not exceeding \$223.

CONFIDENTIAL

(Enclosure 1)

25X1

~~SECRET~~

25X1

## PRICE ANALYSIS

H-2026-1

<u>Description</u>			<u>Amount</u>	<u>Total</u>
<u>Direct Labor</u>	<u>Man Months</u>	<u>Rate</u>		
Section Engineers	0.6	880	\$ 528.	
Project Engineers	3.3	665	2,195.	
Senior Engineers	11.7	560	6,552.	
Junior Engineers	0.1	465	47.	
Technicians (incl. Students)	3.1	325	1,008.	
Model Shop Men	1.0	420	420.	
Design Draftsmen	0.6	540	324.	
Detail Draftsmen	0.3	310	93.	
Total	20.7			\$ 11,167.
Overtime Premium				223.
Burden (3,581 hrs. @ \$2.20)				7,878.
Material				2,330.
Publications - Handbooks (Tech Rep)				1,050.
Travel				250.
Environmental Test Facilities Use (80 hrs. @ \$3.00)				240.
Total Cost less G & A				\$ 23,138.
G & A (6.073% of Cost)				1,405.
Total Cost including G & A				\$ 24,543.

(Enclosure 2)

~~CONFIDENTIAL~~